Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. What is the order **of account categories** on the *chart of accounts*?
2. What is a *debit?*
3. What is a *credit*?
4. What is meant by a *normal balance*?
5. What is the normal balance for assets?]
6. Sam Greene, Capital starts with a balance of $1,000. In one week, the account is debited for $100. What is the new account balance?
7. Why do liability accounts and capital accounts both have normal credit balances?
8. Refer to chart below, what happens of assets increase and liabilities remain the same?

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Assets** | | **=** | **Liabilities** | | **+** | **Owner’s Equity** | |
| Debit  +  Increase Side  Normal Balance | Credit  -  Decrease Side |  | Debit  -  Decrease Side | Credit  +  Increase Side  Normal Balance |  | Debit  -  Decrease Side | Credit  +  Increase Side  Normal Balance |